

# THE IMPORTANCE OF COOPERATIVES' CORPORATE SOCIAL RESPONSIBILITY TO THE LOYALTY OF MEMBERS

by

Fabiana Cherubim Bortoleto and Davi Rogério de Moura Costa  
School of Economics, Management and Accounting, University of São Paulo,  
Brazil

Journal of Rural Cooperation, 40(2), 2012: 198-216

---

## Abstract

Because of the ownership structure of cooperatives, the allocation of property rights in these organizations and other characteristics of cooperatives, the study of management mechanisms in the relationship between cooperatives and their members becomes relevant, in economic terms, as these companies struggle to maintain the loyalty of their members. The present study was undertaken to determine the effect of social responsibility activities on the loyalty of the members. In other words, we investigated whether the number of associates who conduct business with the cooperative (member's loyalty) increases if the cooperative develops social responsibility activities. The results indicate, first, that use of special-purpose reserves for technical, educational and social assistance programs and spending on education and the environment have no significant effect on the loyalty of the cooperative's members. Second, the members' loyalty increases if the cooperative has a greater capacity to provide services and generate higher returns for its members.

**Keywords:** loyalty, social responsibility, agricultural cooperatives